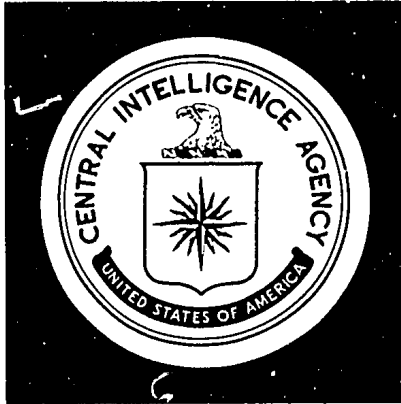


25X1

Approved For Release 2005/01/11 : CIA-RDP85T00875R001500040005-3

Approved For Release 2005/01/11 : CIA-RDP85T00875R001500040005-3

**Secret**



DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*Ceylon: Threats to Political Stability*

25X1

**CIA**  
**DOCUMENT SERVICES BRANCH**  
**FILE COPY**  
**DO NOT DESTROY**

**Secret**

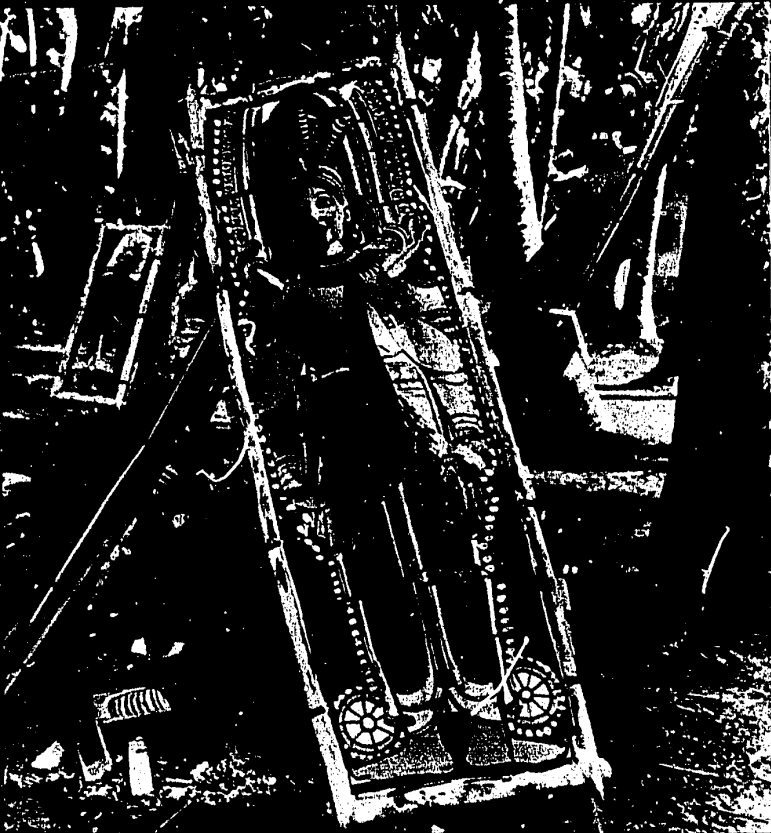
No 603

18 February 1972

25X1

Approved For Release 2005/01/11 : CIA-RDP85T00875R001500040005-3

Approved For Release 2005/01/11 : CIA-RDP85T00875R001500040005-3



In April 1971, Ceylon—once a relatively tranquil and prosperous island in the seething South Asian region—was wracked by an insurrection that threatened to destroy the country's political system. The insurgents were routed, partly because of their own tactical mistakes and partly because the government's ill-prepared security forces were strengthened by foreign military assistance. Several thousand insurgents were killed, and about 15,000 were captured and placed in government detention camps, leaving only a few hundred hard-core rebels at large.

As the insurrection's first anniversary approaches, Ceylon remains a troubled country. Most of the conditions that gave rise to the events of last April are still present, and the island's political stability may well be sorely tested in the months ahead.

## CEYLON: THREATS TO POLITICAL STABILITY

### The Seeds of Revolt

The insurrection was triggered by a combination of economic, social, and security factors. Economic deterioration since the mid-1960s had brought a steady rise in unemployment—about 15 percent of the work force was jobless at the time of the insurrection—and in underemployment. The problem was particularly serious in rural and village areas, where educated young men who lacked training in English and modern technical subjects, and in many cases also suffered from discrimination because of membership in one of the less-privileged castes, were finding their job prospects even more limited than those of other Ceylonese. Because of Ceylon's literacy rate—about 80 percent—and consequent high levels of expectation, resentment at the lack of work opportunities was keener than it might have been in a less-sophisticated society. Inflation had also begun to plague the island. Prices, previously fairly stable, rose at an average annual rate of over six percent between 1968 and 1970. At the same time, there was a growing conviction among many Ceylonese—particularly among village youths—that the legislators and administrators in Co-

lombo, irrespective of political affiliation, were frequently corrupt and were failing to come to grips with the country's problems as they remained comfortably ensconced in the capital.

A catalyst to the smoldering discontent among the young appeared in the late 1960s in the person of a charismatic radical youth leader, Rohan Wijeweera. Under Wijeweera's leadership, a guerrilla organization was created, composed largely of unemployed rural youths and called the People's Liberation Front (*Janatha Vimukthi Peramuna*). Wijeweera was arrested in early 1970, then released in July by the newly elected leftist coalition government headed by Prime Minister Sirimavo Bandaranaike. The weakness and complacency of Ceylon's security services enabled Wijeweera's group to continue spreading its revolutionary message through the countryside and, after briefly supporting Mrs. Bandaranaike's government, to launch an audacious attempt to seize control of the country. Had the insurgents been better armed, and had they sustained the momentum of their successful initial attacks on police posts, towns, and transportation and

SECRET



Security Forces with Captured Insurgents

communications links, they might well have succeeded in crippling the poorly trained, ill-armed security forces and in bringing down the government.

#### Security Forces Beefed Up...

Colombo's internal security services have been strengthened significantly since last April. Annual military spending has been increased by about two thirds. The security forces, which consisted of 32,000 policemen, military personnel, and reservists a year ago, have reportedly been augmented by several thousand men. Badly needed equipment has been acquired. When the insurgency broke out, the armored corps had some 30 armored cars and scout cars, and the air force's capability for tactical air support consisted of nine T-51 Provost jet trainers and three helicopters. Since then, the UK has provided 40 armored cars, as well as six helicopters which came originally from the US. Both the UK and India have furnished small arms and ammunition. The US is providing four helicopters, ten Cessna light aircraft, ground vehicles, communications equipment, and spare engines and parts. Moscow

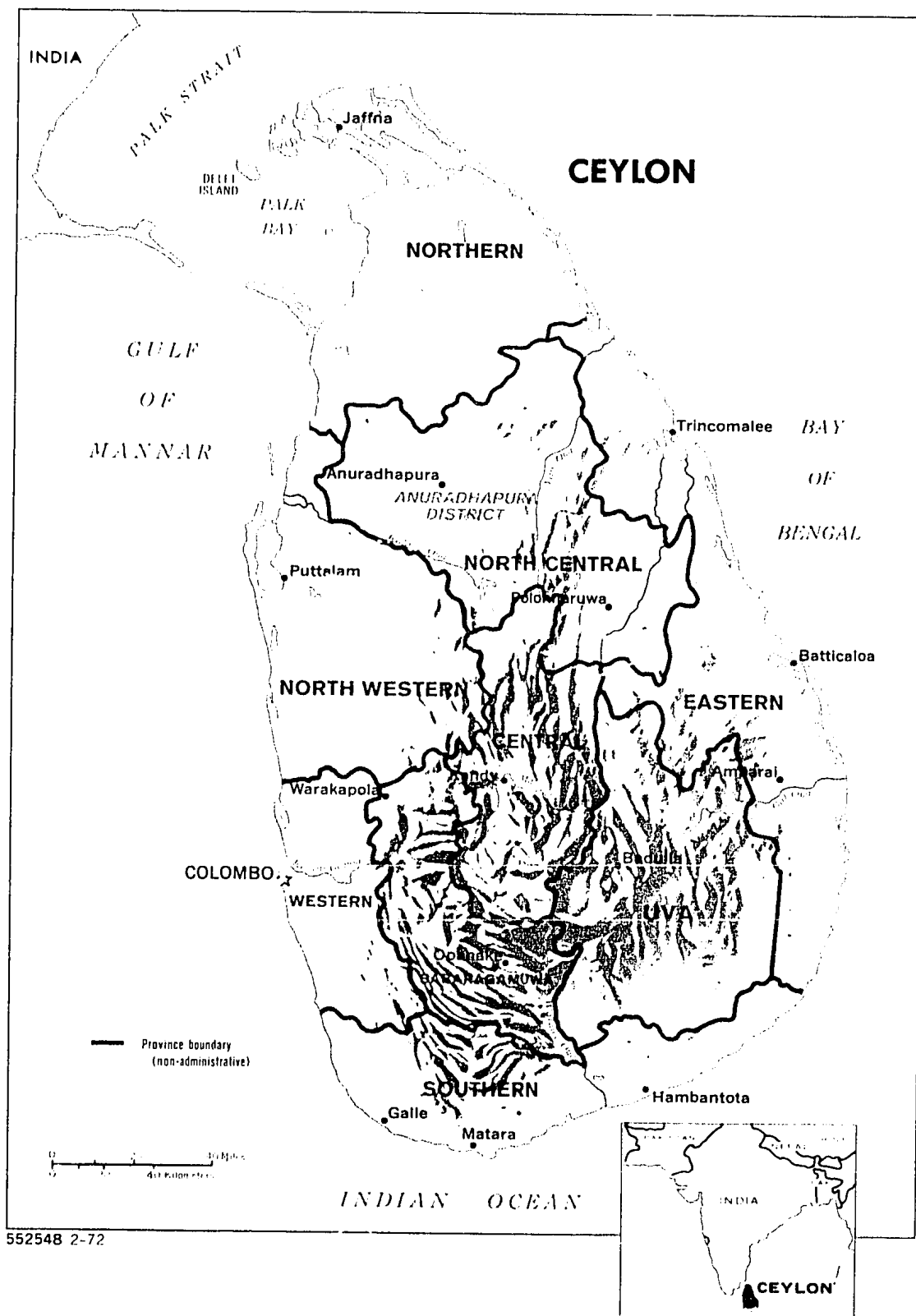
has furnished five MIG-17 fighters, two helicopters, and ten armored personnel carriers, together with technicians and advisers who returned to the Soviet Union after a short stay. The Soviets have also provided modest quantities of bombs, rockets, and machine guns. Peking has sent two patrol boats.

The security establishment, however, probably remains less formidable than the addition of this equipment might suggest. The morale of Ceylon's approximately 12,000 police is low, in part because the policemen are not content with their wages and working conditions, and in part because of the generally poor showing by the police during last year's insurrection. Cooperation is lacking between the police and the army, which performed relatively well last April and holds the police in low regard. Both the police and the military, moreover, contain elements sympathetic to the insurgents.

#### ...But Little Else Has Changed

Although most rebels have been incarcerated and the police and armed forces beefed up, little

SECRET



Special Report

- 4 -

18 February 1972



has been done over the past year in improving social and economic conditions. The public in general, and younger people in particular, still tend to scorn politicians of all major parties and government officials in Colombo as generally ineffectual, often corrupt, and out of touch with the needs of the people. The economy, moreover, remains sluggish. Despite growing budget deficits, Mrs. Bandaranaike's government has been reluctant to temper its costly social welfare programs with austerity measures. New private investment has ground to a virtual halt as foreign and domestic businessmen grow uneasy about the anti-capitalist predilections of several key cabinet ministers. Further inroads by the public sector are likely. Among the measures that have troubled private investors since Mrs. Bandaranaike's government came to power are:

- a proposed income ceiling and restrictions on the repatriation of profits;
- a Business Acquisitions Act empowering the government, whenever it chooses, to acquire any property or business employing over 100 persons;
- further severe restrictions on the use of foreign exchange to import industrial raw materials and machinery;

- and the establishment of a state monopoly controlling the import and distribution of a number of commodities previously handled by the private sector.

Meanwhile, many consumer goods have been growing scarcer, in part because of years of deteriorating terms of trade, stagnating exports, and low foreign exchange reserves in a country heavily dependent on imports. Services also are gradually deteriorating. Inflation, moreover, is worsening. During the first eleven months of 1971, the cost of living in Colombo rose by about six percent, with more than half of the increase occurring in October and November.

Perhaps most serious is the persistence of the high unemployment rate. Roughly 15 percent of the labor force, or more than 500,000 people, are jobless. The majority of the unemployed are under 25, live in rural areas, and have at least some education. In addition, many thousands hold jobs they regard as below their capacities.

Unrest among Ceylon's labor unions has been only sporadic in recent months, largely



Troops in Colombo

because the emergency regulations in effect since last March make strikes and demonstrations more difficult. Many unions, moreover, are affiliated with the Trotskyite and Communist parties that are junior partners in Mrs. Bandaranaike's government coalition. Most workers are unhappy with the current state of the economy, and labor agitation remains a constant threat.

#### The Insurgents: Bloodied but Unbowed

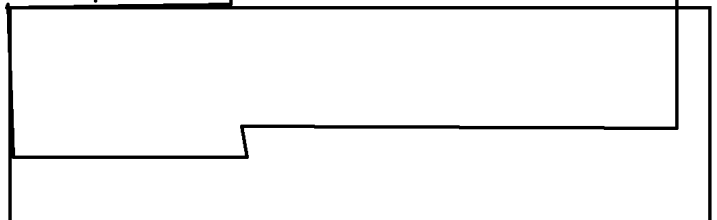
The guerrilla movement itself, although decisively defeated last year, has not been destroyed. Probably between 500 and 1,000 guerrillas are active at present. A large proportion of these are believed to be in rural hill areas in the Anuradhapura District of the North Central Province. The Ceylonese Army claims it has had 1,000 men searching for insurgents in this province since early January, but very few are reported to have been found. Scattered small bands also are reportedly at large in southwestern Ceylon, possibly including some in Colombo.

The guerrilla movement as a whole is sometimes referred to as the "Che Guevarists." Most of

the guerrillas belong to Wijeweera's Liberation Front. Another well-known band is headed by a former pro-Peking Communist, G. D. I. Dharmasekera. This group gained notoriety in March 1971 when some 10 to 15 of its members attacked the US Embassy in Colombo. Wijeweera is currently in government custody, but Dharmasekera is at large.

25X1

Rebel activities in recent months have consisted largely of occasional robberies and kidnappings, wall slogan writing, and efforts to recruit new personnel.



The insurgent bands at large generally number from 15 to 30 and are poorly armed. The number of weapons they have is limited and consists largely of shotguns, some rifles, and crude

SECRET

Ceylonese Army Training on Bren Guns



hand bombs. The rebels are not known to be receiving any arms or other assistance from outside Ceylon. They apparently do not harbor any illusions about being able soon to overthrow the government through a sudden uprising such as that of last April. Instead, they appear to be trying to rebuild their movement in order to bring about the government's downfall at some future date.

#### A Myriad of Possibilities

The efforts of Ceylon's young rebels could evolve in any of several directions. A major determinant will be the fate of the 13,000-14,000 accused insurgents still in detention camps. Mrs. Bandaranaike's government has been unable to decide what to do with these youths. Eventually it may place a few on trial, detain some indefinitely, and release others outright. During their many months of confinement, the young prisoners have been growing even more resentful toward the Ceylonese establishment and have undoubtedly been planning future revolutionary activities. The release of a few thousand would considerably enhance the disruptive capabilities of the guerrilla movement.

Lacking good prospects for an early overthrow of the government, the rebel movement might evolve away from its proclivity for violent action and grow into a somewhat more conventional far-left political movement. Such a movement would probably enjoy considerable popular support. Most Ceylonese are unhappy with the performance of recent governments. Many are believed to harbor considerable admiration for the youthful revolutionaries and might give electoral support to such a political party.

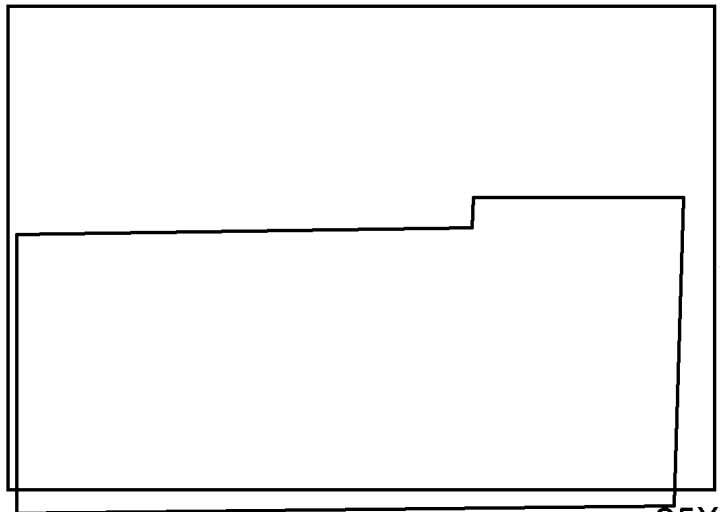
The possibility that the rebel movement might develop into a non-violent political organization may be discouraged by Ceylon's new constitution. The present draft, which is expected to be promulgated next month, includes provisions that would postpone national elections—now required to take place no later than May 1975—until 1978, or even later if the government chooses to continue or reimpose the present state of emergency. By delaying the opportunity for replacing the government through the electoral process, the new constitution could help reinforce the rebels' preference for direct action. The postponement of elections for three or more years



25X1

could also help to broaden the rebel movement's base; many Ceylonese who have preferred to replace governments through the ballot box might, in their frustration, grow more sympathetic to an extra-constitutional approach.

Another possible danger to democracy could come from a different direction. Substantial power gains either by the young radicals or by leftists already within the government could trigger a pre-emptive seizure of power by right-of-center military and civilian elements. If successfully carried out, this would be Ceylon's first coup in 24 years of independence. Such a regime probably would postpone the release of imprisoned insurgents and step up efforts to suppress those at large. Yet another possibility is an attempt by leftists within the armed forces and the government to seize power.



25X6

In short, Ceylon's political stability remains tenuous. Many Ceylonese are losing faith in the country's political system. For the moment, no group appears to be in a position to overthrow the regime. With the government showing few signs of being able to arrest the economic decline, public disenchantment and opposition are likely to intensify this year.

25X1